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RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L MANAGUA 000720

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DEPT FOR WHA/CEN

E.O. 12958: DECL: 06/05/2018
TAGS: [PGOV](#) [NU](#)
SUBJECT: DEMARCHE DELIVERED: NICARAGUA PERSISTS ON
COUNTER-MERIDA

REF: STATE 57540

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

11. (C) Summary: On June 5, Nicaraguan Foreign Ministry officials offered rebuttals to points contained in the USG rejection of the Nicaraguan Counter-Merida proposal. Regarding the USG position that Nicaragua could not receive a credit or loan guarantee as a member of the Heavily Indebted Poor Countries (HIPC) Initiative, the officials pointed out that since the Nicaraguan proposal is a regional proposal covering all of Central America, other Central American countries that are not HIPC members should be able to receive the credit or loan guarantee. The officials also continued to press for a "small group" meeting between the U.S., Honduras, and Nicaragua to discuss further security cooperation. The officials concluded the meeting by pressing for more resources for Central American security and law enforcement initiatives, claiming that without such resources Nicaragua and other Central American countries would be forced to focus their resources on other priorities such as food security. End Summary.

Proposal Is Regional, HIPC Not A Problem

12. (C) On June 5, PolChief delivered reftel demarche points to the Nicaraguan Foreign Ministry International Legal Advisory Division's Director of Democratic Security Carlos Vicente Ibarra, Director of North American Affairs Renee Morales, and North American Political Specialist Gregorio Torrez. When presented with the demarche points, Ibarra asked for more time to prepare a formal, official response but offered some "informal reactions" to the USG rejection of the Nicaraguan security (Counter-Merida) proposal. Ibarra first pointed out that although the USG characterized the Counter-Merida proposal as Nicaraguan, in fact the proposal is regional and has support from other Central American countries such as Honduras. In response to the USG position that Nicaragua is unable to receive credit as a member of the Heavily Indebted Poor Countries (HIPC) Initiative, Ibarra said that other Central American countries who are not HIPC members would theoretically be able to receive the credit or loan guarantee.

Small Groups Work Better

13. (C) Ibarra then asked whether the demarche represented the USG's final response to Nicaragua's previous request to have a "small group meeting" between the U.S., Nicaragua, and Honduras to discuss the security proposal. PolChief replied that although the demarche clearly addressed the USG response to Nicaragua's security proposal, continued security

cooperation with Honduras and other Central American countries can be conducted through SICA meetings. In response, Ibarra argued that a small group would be able to find more opportunities for cooperation and stressed the importance of holding such a meeting soon, lest the "door be closed" on this window of communication.

Central America Needs More

14. (C) North American Affairs Director Renee Morales added that the Government of Nicaragua (GON) is concerned that Nicaragua would only be receiving a small portion of the security funding proposed under the Merida Initiative. She asserted that the GON is closely following the progress of the Merida Proposal through Congress and noted that Nicaragua will only receive less than \$10 million USD. Ibarra contrasted this to Nicaragua's security proposal, in which the GON calculated that Central America needs \$953 million in resources to fully implement and fund the initiatives contained in the proposal. "Financing is crucial," he continued, "for without sufficient financing Nicaragua and other Central American countries may have to focus on other priorities, such as food security." Morales assured PolChief, however, that the GON would ready for the SICA coordination meeting in Washington on Monday June 9 and hoped that it will be a productive session. Ibarra pointedly remarked that the USG response to the Nicaraguan proposal is a "new element" in the situation that must be analyzed and factored into GON participation in the meeting.

Comment

15. (C) Comment: The GON clearly will not back down from their Counter-Merida proposal without a fight. We can imply from the GON's inability to mention any other strong supporters of their proposal besides Honduras, though, that the GON has not found widespread support for their concept. We believe, however, that the GON's view may be indicative of an overall perception by Central American countries that the Central American portion of the Merida Initiative is inadequate for the region's actual security needs. In order to prevent the GON's Counter-Merida proposal from gaining any more traction amongst Nicaragua's neighboring countries, we strongly recommend that the Department share the points arguing against the GON proposal with other Central American posts.

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